

Arna Bontemps African American Museum

Alexandria, Louisiana

Financial Statements

July 31, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

5/4/05



Knight Masden

A Professional Accounting Corporation

Arna Bontemps African American Museum

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January 31, 2005

Board of Directors

Arna Bontemps African American Museum

Alexandria, Louisiana

We have compiled the accompanying statement of financial position of the Arna Bontemps African American Museum (a not-for-profit-corporation) as of July 31, 2004, and the related statements of activity and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit the disclosures required by generally accepted accounting principles. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Museums' financial position and results of operations. Accordingly, these financial statements are not designed for those who are not informed about such matters.

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**Independent Accountant's Report
on Applying Agreed-Upon Procedures**

To the Management of

Arna Bontemps African American Museum

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of Arna Bontemps African American Museum, the Legislative Auditor, State of Louisiana, and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about Arna Bontemps African American Museum's compliance with certain laws and regulations during the year ended July 31, 2004, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Arna Bontemps African American Museum's federal, state and local award expenditures for all programs for the fiscal year follow:

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Grant Name	Grant Year	CFDA No.	Amount
State of Louisiana - Act 13 of 2002 Appropriation	2002	N/A	\$ 7,239
State of Louisiana - Act 14 of 2003 Appropriation	2003	N/A	27,854
State of Louisiana, Department of Culture, Recreation and Tourism, Office of Cultural Development, Division of the Arts	2004	N/A	5,375
City of Alexandria - MCCA OS-003	2003-2004	N/A	45,000
Louisiana Endowment For The Humanities 2004 Arna Bontemps Symposium	2004	45.129	9,440
Louisiana Endowment For The Humanities Ernest Gaines Literary Residency	2004	45.129	1,340
Total Expenditures			\$ 96,248

2. For the federal, state, and local awards, we randomly selected 6 disbursements during the period under examination.
3. For the items selected in procedure 2, we traced the six disbursements to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the six selected disbursements and found one of the disbursements only had a check request voucher and no invoice attached. The remaining disbursements were for the proper amount, made to the correct payee and contained full supporting documentation.

4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.



4. For the items selected in procedure 2, we determined if the six disbursements were properly coded to the correct fund and general ledger account.

All of the payments were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six disbursements received approval from proper authorities.

Inspection of documentation supporting all six selected disbursements indicated approvals from the executive director.

6. For the items selected in procedure 2: For federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in *the Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

We reviewed the previously listed disbursements for types of services allowed or not allowed. One disbursement had no invoice or receipt and we were unable to determine if it was allowable activities. The remaining five disbursements meet the goals of the programs.

Reporting:

We reviewed the previously listed disbursements for reporting requirements. All six disbursements meet the goals of the programs.

7. For the programs selected for testing in item (2) that had been closed out during the period under review, we compared the close-out report, when required, with the entity's financial records to determine whether the amounts agree.

The six disbursements selected included two Federal programs that were closed out during the period of our review. We compared the close-out reports for these two Federal programs with the entity's financial records. The amounts reported on the close-out reports agreed to the entity's financial records.

Meetings

1. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).



Arna Bontemps African American Museum is only required to post a notice of each meeting and the accompanying agenda on the door of the Arna Bontemps African American Museum's office building. No evidence supporting the posting of the notice was found other than an unmarked copy of the notices and agendas.

Comprehensive Budget

1. For all grants exceeding five thousand dollars, we determined that each applicable federal, state, or local grantor agency was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance.

Arna Bontemps African American Museum provided comprehensive budgets to the applicable state and local grantor agencies for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

1. There were no prior year agreed-upon procedures and no prior-year suggestions or recommendations.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Arna Bontemps African American Museum, the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

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Arna Bontemps African American Museum
Statement of Financial Position
As of July 31, 2004

Assets

Current Assets	
Cash and cash equivalents	\$ 28,369
Inventory	<u>465</u>
Total Current Assets	<u>28,834</u>
Equipment net of depreciation	<u>180,771</u>
Total Assets	<u>\$209,605</u>

Liabilities and Net Assets

Current Liabilities	
Note payable	\$ 3,000
Accrued liabilities	<u>11,053</u>
Total Current Liabilities	<u>14,053</u>
Net Assets	
Unrestricted	<u>195,552</u>
Total Net Assets	<u>195,552</u>
Total Liabilities and Net Assets	<u>\$209,605</u>

See accountants' report



Arna Bontemps African American Museum
Statement of Activity
For the Year Ended July 31, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public Support and Revenues			
Grants	\$ -	\$ 117,277	\$117,277
Fundraising events	25,796	-	25,796
Membership dues	907	-	907
Donations	<u>5,185</u>	<u>45,770</u>	<u>50,955</u>
Total Public Support and Revenues	31,888	163,047	194,935
Reclassifications			
Net assets released from restrictions	<u>163,047</u>	<u>(163,047)</u>	<u>-</u>
Total Public Support, Revenues and Reclassifications	<u>194,935</u>	<u>-</u>	<u>194,935</u>
Expenses			
Fundraising expenses	35,037		35,037
Program expenses	<u>169,088</u>	<u>-</u>	<u>169,088</u>
Total expenses	<u>204,125</u>	<u>-</u>	<u>204,125</u>
Change in net assets	<u>(9,190)</u>	<u>-</u>	<u>(9,190)</u>
Net assets - beginning of year	<u>204,742</u>	<u>-</u>	<u>204,742</u>
Net assets - end of year	<u>\$ 195,552</u>	<u>\$ -</u>	<u>\$195,552</u>

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Arna Bontemps African American Museum
Statement of Cash Flows
For the Year Ended July 31, 2004

Change in net assets	\$ (9,190)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	3,764
Decrease in accounts payable	(3,650)
Decrease in accrued liabilities	(7,043)
Decrease in notes payable	<u>(700)</u>
Net cash used by operating activities	<u>(16,819)</u>
Investing Activities	
Purchase of new equipment	<u>(24,493)</u>
Net cash used by investing activities	<u>(24,493)</u>
Net decrease in cash and cash equivalents	(41,312)
Cash and cash equivalents as of beginning of year	<u>69,681</u>
Cash and cash equivalents as of end of year	<u><u>\$ 28,369</u></u>

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Supplementary Information



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Arna Bontemps African American Museum
Program Expenses
For the Year Ended July 31, 2004

Expenses

Salaries and taxes	\$ 70,078
Accounting fees	1,562
Supplies	2,681
Telephone	3,740
Postage	505
Occupancy	8,907
Maintenance	10,629
Printing	1,440
Travel	2,603
Conferences	1,652
Interest	50
Depreciation	3,764
Bank charges	435
Consulting	27,844
Contract labor	2,687
Dues and subscriptions	313
Insurance	2,754
Marketing	11,228
Miscellaneous	2,517
Other program expense	<u>13,699</u>
Total Expense	<u>\$169,088</u>

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